

PART I - THE SCHEDULE**SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS****B.1 SCHEDULE OF ITEMS**

The Government will allocate the work in accordance with the following:

CLIN 0001 - ALL PERSONNEL - 300,000 HOURS PER YEAR

Performance Period	Estimated Cost (\$)	Base Fee (\$)	Maximum Award Fee Available (\$)	Total Price (\$)
Base Year	\$11,839,491	\$65,550	\$480,105	\$12,385,146
Option Year 1				
Option Year 2				
Option Year 3				
Option Year 4				
Option Year 5				
Option Year 6				
Option Year 7				
Total				

000006

OPTIONAL QUANTITIES

If the Government elects to award up to two (2) contracts as a result of this competition, then PTO anticipates that up to 300,000 hours of effort shall be provided by each contractor for each year in the period of performance. The total work in any year on both contracts will not exceed 600,000 hours; however, the Government realizes that actual distribution of work among the two contractors will fluctuate and has included the following options to accomodate these fluctuations. Issuance of individual tasks is predicated on the overall evaluation of the contractor's performance during the Award Fee Evaluation. The Government may not issue and fund tasks if the Fee Determination Official determines that it is not in the Government's best interest after review of the Contractor's performance during the Award Fee Process.

The 50,000 hours in each CLIN0002 option is based on the labor mix as used for CLIN0001, excluding key personnel, then equally divided by 6 (and rounded).

CLIN 0002.A - 50,000 HOURS

Performance Period	Estimated Cost (\$)	Base Fee (\$)	Maximum Award Fee Available (\$)	Total Price (\$)
Base Year	\$1,606,554	\$5,812	\$92,282	\$1,704,648
Option Year 1				
Option Year 2				
Option Year 3				
Option Year 4				
Option Year 5				\$
Option Year 6				\$
Option Year 7				\$
Total				\$

000007

CLIN 0002.B - 50,000 HOURS

Performance Period	Estimated Cost (\$)	Base Fee (\$)	Maximum Award Fee Available (\$)	Total Price (\$)
Base Year	\$1,606,554	\$5,812	\$92,282	\$1,704,648
Option Year 1				
Option Year 2				
Option Year 3				
Option Year 4				
Option Year 5				
Option Year 6				
Option Year 7				
Total				

000008

CLIN 0002.C - 50,000 HOURS

Performance Period	Estimated Cost (\$)	Base Fee (\$)	Maximum Award Fee Available (\$)	Total Price (\$)
Base Year	\$1,606,554	\$5,812	\$92,282	\$1,704,648
Option Year 1				
Option Year 2				
Option Year 3				
Option Year 4				
Option Year 5				
Option Year 6				
Option Year 7				
Total				

000009

CLIN 0002.D - 50,000 HOURS

Performance Period	Estimated Cost (\$)	Base Fee (\$)	Maximum Award Fee Available (\$)	Total Price (\$)
Base Year	\$1,606,554	\$5,812	\$92,282	\$1,704,648
Option Year 1				
Option Year 2				
Option Year 3				
Option Year 4				
Option Year 5				
Option Year 6				
Option Year 7				
Total				

000010

CLIN 0002.E - 50,000 HOURS

Performance Period	Estimated Cost (\$)	Base Fee (\$)	Maximum Award Fee Available (\$)	Total Price (\$)
Base Year	\$1,606,554	\$5,812	\$92,282	\$1,704,648
Option Year 1				
Option Year 2				
Option Year 3				
Option Year 4				
Option Year 5				
Option Year 6				
Option Year 7				
Total				

000011

CLIN 0002.F - 50,000 HOURS

Performance Period	Estimated Cost (\$)	Base Fee (\$)	Maximum Award Fee Available (\$)	Total Price (\$)
Base Year	\$1,606,554	\$5,812	\$92,282	\$1,704,648
Option Year 1				
Option Year 2				
Option Year 3				
Option Year 4				
Option Year 5				
Option Year 6				
Option Year 7				
Total				

000012

CLIN 0003 - Incidental Hardware

The Government estimates that there will be \$4,300,000 dollars expended in hardware purchases, leases, or maintenance over the life of the contract. No further requirement definition is available at this time and the specific hardware will be defined by individual Task Order.

The Government will use this estimate to normalize all Contractor proposals. No fee will be paid on these costs.

CLIN 0004 - Commercial Off-the Shelf Software (COTS)

The Government estimates that there will be \$56,000,000 dollars expended in software purchases, over the life of the contract. This includes COTS products for system development and software applications products. No further requirement definition is available at this time and the specific software will be defined by individual Task Order.

The Government will use this estimate to normalize all Contractor proposals. No fee will be paid on these costs.

B.2 TASK ORDER STRUCTURE

Work to be performed under the terms of this contract will be awarded to the contractor through task orders for each contract task. These task orders will be Cost Plus Award Fee (CPAF). Task orders issued under the SDM contract will be for either delivery of system development services and products (e.g., documentation, software, analysis), referred to as discrete task orders within the PTO Project Management Manual, or for level of effort services (e.g., product assurance, project management, application software maintenance functions).

B.2.1 Level of Effort - Cost Reimbursement Term Contract Tasks

- (a) The Contractor shall perform all work and provide all required task order deliverables within the level of effort specified below. The Government intends to order up to 600,000 direct labor hours per year during each of the contract base and option year periods, which represent the Government's best estimate of the level of effort required to fulfill these requirements. The Government anticipates two awards under this effort and these labor hours are the cumulative level of effort planned in each of the base and option year periods (total of all labor hours on all awards resulting from this solicitation) for both contractors combined.
- (b) For determining the level of effort hours, direct labor includes personnel such as computer systems engineers and analysts, trainers, computer scientists, communications experts, functional matter experts, documentation specialists, programmers, and the clerical and administrative staff that directly support them on this contract.

It is expected that support personnel which contribute to the overall operation of the Contractor's company (that are not SDM specific), such as company management, accountants, attorneys, and other company-wide staff, will be indirect charges.

- (c) If the level of effort which is planned to be ordered during a given base or option period (refer to Section C.4 of this solicitation) is not ordered during that period, that level of effort may not be accumulated and ordered during a subsequent period.
- (d) These terms and conditions do not supersede the requirements of either clause 52.232-20 "Limitation of Cost" or clause 52.232-22 "Limitation of Funds."

B.2.2 Cost Reimbursement Contract Completion Tasks

Task orders issued under the SDM contract that are for delivery of system development services and products (e.g., documentation, software, analysis), referred to as discrete task orders within the PTO Project Management Manual, are completion tasks.

B.3 ALLOWABLE COSTS--INCREMENTALLY FUNDED CONTRACT

- (a) Final annual indirect cost rate(s) and the appropriate base(s) shall be established in accordance with Subpart 42.7 of the Federal Acquisition Regulation (FAR) in effect for the period covered by the indirect cost rate proposal.
- (b) Until final annual indirect cost rates are established for any period, the Government shall reimburse the contractor at billing rates established by the appropriate Government Representative in accordance with 42.704, subject to adjustment when the final rates are established.

B.4 AWARD FEE

The amount of award fee the Contractor earns on cost-plus-award-fee tasks, if any, is based on a subjective evaluation by the Government of the quality of the Contractor's performance in accordance with the award fee plan (Attachment 3 of Section J.3). The Government will determine the amount of award fee every 6 months beginning with the sixth month after award. The Fee Determination Official (FDO) will unilaterally determine the amount of award fee. The FDO's determination will be in writing to the Contractor and is not subject to the "Disputes" clause. The Government may unilaterally change the award fee plan at any time and will provide such changes in writing to the Contractor prior to the beginning of the applicable evaluation period. The Contractor may submit a voucher for the earned award fee. Available award fee not earned during one period does not carry over to subsequent periods.

B.5 PAYMENT OF BASE FEE AND AWARD FEE

- (a) Base Fee

Since award fee task orders will be awarded on this contract, the terms award fee and base fee are appropriate to any such tasks, rather than fixed fee. The base fee shall be paid based on the percentage of completion of work, as determined by the Contracting Officer, and subject to the following withholding provisions. After payment of eighty-five percent (85%) of the base fee in each contract year, the Government shall withhold further payment of base fee pending establishment of a reserve of fifteen percent (15%) of the total base fee or \$100,000, whichever is

less. This withholding shall be payable upon submission and acceptance of appropriate closing documents, after final audit of the contract has been completed, and after all audit exceptions have been resolved.

(b) Award Fee

The amount of award fee to be paid, if any, shall be paid promptly upon receipt of a voucher submitted in accordance with the following:

- (1) The award fee provided for in this article shall be in addition to any base fee provided for in section B.5.a. Beginning on the effective date of this contract, the Government shall evaluate the Contractor's performance at the end of every six (6) month period to determine the award fee earned by the Contractor.
- (2) The Contractor may earn a minimum award fee of zero dollars (\$0) to a maximum fee as stated in paragraph B.5(a)(1).
- (3) The Contractor agrees that the evaluation of the Contractor's performance and the determination of the amount of award fee earned will be made by the Patent and Trademark Office (PTO) Fee Determination Official, in accordance with the Contract Performance Evaluation Plan for the Award Fee referenced in section J.3.3 and said determination shall be final and not subject to the terms of the "disputes" clause and any other appeal clause. The Contractor shall be advised in writing of the determination and of the reasons why the award fee was earned, or why it was not earned, in order that the Contractor may improve its performance, if the latter is applicable.
- (4) The contractor will be notified in writing by the Contracting Officer when the award fee, if any, has been determined by the PTO Fee Determination Official. This letter shall set forth the amount of fee awarded for the performance period evaluated. Upon receipt of the letter, the contractor may submit a public voucher for payment of the total award fee earned for the period evaluated.

B.6 TASK ORDERS

- (a) RESERVED
- (b) The Contractor shall perform work under this contract as specified in written task orders issued by the Contracting Officer and as specified in the Task Management Plan (TM02) (refer to Section J).
- (c) It is recognized and mutually agreed that the Government shall be liable for costs and/or fee, as applicable, under the terms and conditions of this contract to the extent that a fully executed task order has been issued and covers the required work.
- (d) Every task order will be required to have a Task Management Plan as specified in CDRL TM02. Each Task Order will include:

- (1) a numerical designation,
 - (2) the estimate of required labor hours and cost ceiling,
 - (3) the period of performance and schedule of deliverables,
 - (4) the description of the work (consisting of clearly defined task objectives, scope, methodology, resource requirements, milestones, and;
 - (5) identification of the period (base, option period 1, etc.) to which the Task Order is to be charged if the contract includes overlapping periods.
- (e) The Contractor shall acknowledge receipt of each task order by returning to the Contracting Officer a signed copy of the task order within five (5) calendar days after its receipt. The Contractor shall begin work on the Task Order in accordance with the effective date indicated on the Task Order.
- (f) This clause does not change the requirements of section B.2 "Task Order Structure," nor the notification requirements of either clause 52.232-20 "Limitation of Cost" or clause 52.232-22 "Limitation of Funds."
- (g) Task orders shall not change any terms or conditions of the contract. Where any language in the work assignment may suggest a change to the terms or conditions, the Contractor shall notify the Contracting Officer within five (5) days after receipt of a task order. In the event of a discrepancy between the terms and conditions of the contract and the terms and conditions of a task order issued under the contract, the terms and conditions of the contract shall take precedence until a clarification is made, in writing, by the Contracting Officer.

B.7 TASK ORDER IMPLEMENTATION

- (a) The Project Management Manual (refer to Section J of this solicitation) sections 4.2.1, 4.2.2, and 4.2.3 provides a detailed description of the processes the PTO intends to use in the development, negotiation, issuance, and modification of task orders. All discrete task orders must have a baselined project plan (refer to Section 3.1.4 of the Project Management Manual) before the task order will be negotiated and approved. Level-of-effort and maintenance-type task orders will not require a project plan but will require a detailed tasking description that describes each task to be performed, the work or deliverables to be produced, and deliverable due dates. Task Order modifications shall be documented using a Resource Estimate (CDRL FN07) (refer to Section J of this solicitation).
- (b) Following execution of the Task Order, technical clarifications may be issued in writing at any time by the COTR to amplify or provide additional guidance to the Contractor regarding the performance of the Task Order.
- (c) Pursuant to the FAR Clause 52.243-7, "Notification of Changes," as contained in Section H of this solicitation, the Contractor shall notify the Contracting Officer immediately of any instructions or guidance the Contractor considers to be a change to the Task Order which will impact the cost, schedule or deliverable content of the baseline work plan. In cases where technical instructions or other events may dictate a change from the baseline, Task Orders may be formally amended to reflect modifications to tasking. The Contractor is responsible for

revising the work plan to reflect Task Order amendments within 5 working days following negotiation or issuance of a modification of the Task Order.

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